

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
WHITLEY COUNTY WATER DISTRICT) CASE NO. 96-561

O R D E R

On November 20, 1996, Whitley County Water District ("Whitley County") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Whitley County purchases water from four suppliers, the Corbin Utilities Commission, the City of Williamsburg, the Cumberland Falls Highway Water District ("Cumberland Falls"), and Jellico, Tennessee.
2. Effective July 1, 1996, Cumberland Falls increased its rate for wholesale water from \$1.84 per 1,000 gallons to \$2.44 per 1,000 gallons.
3. Whitley County proposed to increase the rates to its customers effective January 1, 1997.
4. During the 12 months ending August 31, 1996, Whitley County purchased 14,137,000 gallons of water from Cumberland Falls. During that same period of time, Whitley County sold 84,450,000 gallons.

5. Whitley County's purchased water adjustment calculations show an increase in purchased water cost of \$8,482.20, resulting in a purchased water adjustment of 10 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Whitley County's customers would increase 50 cents from \$27.65 to \$28.15, or 1.8 percent.

6. The purchased water adjustment of 10 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

7. Whitley County's proposed tariff is correct and should be approved.

IT IS THEREFORE ORDERED that:

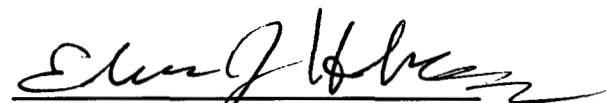
1. The purchased water adjustment of 10 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after January 1, 1997.

2. Whitley County's proposed tariff is approved.


Done at Frankfort, Kentucky, this 20th day of December, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-561 DATED DECEMBER 20, 1996

The following rates and charges are prescribed for the customers in the area served by Whitley County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates:

First	1,000	Gallons	\$10.43	(Minimum Bill)
Next	4,000	Gallons	4.43	Per 1,000 Gallons
Next	95,000	Gallons	3.93	Per 1,000 Gallons
Over	100,000	Gallons	3.43	Per 1,000 Gallons

Non-Metered Customers \$28.15 Per Month
Plus any applicable taxes